

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**RECEIVED**

APR 15 2004

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NEEDED  
AZ CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

W-01045A  
Cottonwood Water Works, Inc.  
1042 N. Main Street  
Cottonwood AZ 86326

**ANNUAL REPORT**

**FOR YEAR ENDING**

<b>12</b>	<b>31</b>	<b>2003</b>
-----------	-----------	-------------

FOR COMMISSION USE

<b>Ann04</b>	<b>03</b>
--------------	-----------

**Dennis, Schmich & Co., Ltd.**

Certified Public Accountants

Member of the AICPA Private Companies Practice Section

Telephone (602) 265-5900

3839 North Third Street Suite 305

Phoenix, Arizona 85012

Board of Directors

Cottonwood Water Works, Inc.

Cottonwood, Arizona

We have compiled the balance sheets and statements of income and expense of Cottonwood Waterworks, Inc. as of December 31, 2003 and 2002, and for the years then ended included in the accompanying prescribed form of Arizona Corporation Commission Utilities Division Annual Report of Cottonwood Water Works, Inc. in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information on pages 3 through 6 and pages 16 through 18.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission Utilities Division, information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements and supplemental information are presented in accordance with the requirements of the Arizona Corporation Commission Utilities Division, which differ from accounting principles generally accepted in the United States of America. Accordingly, these financial statements are not designed for those who are not informed about such differences.

The supplementary information on pages 10 through 15 and page 19 contained in the accompanying prescribed form has not been audited, reviewed or compiled by us and, accordingly, we assume no responsibility for that information.

March 15, 2004

*Dennis, Schmich & Co., Ltd*

## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>Cottonwood Waterworks, Inc.</u>			
<b>Mailing Address</b> <u>1042 Main Street</u>			
(Street)			
<u>Cottonwood</u>	<u>Arizona</u>	<u>86326</u>	
(City)	(State)	(Zip)	
<u>(928) 634-5559</u>	<u>(928) 634-5962</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
<b>Email Address</b> <u>cww@sedona.net</u>			
<b>Local Office Mailing Address</b> <u>same as above</u>			
(Street)			
(City)	(State)	(Zip)	
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
<b>Email Address</b> _____			

## MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>Charles D. Garrison</u>			<u>President</u>
(Name)			(Title)
<u>1042 N. Main Street</u>	<u>Cottonwood</u>	<u>Arizona</u>	<u>86326</u>
(Street)	(City)	(State)	(Zip)
<u>(928) 634-5559</u>	<u>(928) 634-5962</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
<b>Email Address</b> <u>cww@sedona.net</u>			
<b>On Site Manager:</b> <u>same as above</u>			
(Name)			
(Street)	(City)	(State)	(Zip)
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
<b>Email Address</b> _____			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

See accountant's compilation report.

**Statutory Agent:** Charles D. Garrison  
(Name)  
1042 N. Main Street Scottsdale Arizona 86326  
(Street) (City) (State) (Zip)  
(928) 634-5559 (928) 634-5962  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Attorney:** Richard L. Sallquist  
(Name)  
2525 E. Arizona Biltmore Circle, Ste. 117 Phoenix, AZ 85016  
(Street) (City) (State) (Zip)  
(602) 224-9222 (602) 224-9366  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

- |   |  |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S)    | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input type="checkbox"/> Subchapter S Corporation (Z)                                |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co op (A)                                       |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                                   |
| <input type="checkbox"/> Other (Describe) _____ |  |

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- |                                     |   |                                   |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE     | <input type="checkbox"/> COCHISE            | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA       | <input type="checkbox"/> GRAHAM             | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ     | <input type="checkbox"/> MARICOPA           | <input type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO     | <input type="checkbox"/> PIMA               | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ | <input checked="" type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE  |   |                                   |

<b>COMPANY NAME</b>	<b>COTTONWOOD WATERWORKS, INC.</b>
---------------------	------------------------------------

### UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	\$ 3,343	\$ 805	\$ 2,538
302	Franchises	5,077		5,077
303	Land and Land Rights	48,467		48,467
304	Structures and Improvements	134,127	106,265	27,862
307	Wells and Springs	368,600	82,099	286,501
311	Pumping Equipment	389,999	124,728	265,271
320	Water Treatment Equipment	16,390	8,801	7,589
330	Distribution Reservoirs and Standpipes	785,320	185,555	599,765
331	Transmission and Distribution Mains	5,012,476	1,509,187	3,503,289
333	Services	441,435	152,119	289,316
334	Meters and Meter Installations	770,898	378,749	392,149
335	Hydrants	466,891	89,710	377,181
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	66,963	65,009	1,954
341	Transportation Equipment	130,507	79,285	51,222
343	Tools, Shop and Garage Equipment	45,181	42,940	2,241
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	12,821	10,424	2,397
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>\$ 8,698,495</b>	<b>\$ 2,835,676</b>	<b>\$ 5,862,819</b>

This amount goes on the Balance Sheet Acct. No. 108

See accountants compilation report.

<b>COMPANY NAME</b>	<b>COTTONWOOD WATERWORKS, INC.</b>
---------------------	------------------------------------

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (1)</b>	<b>Depreciation Percentage (2)</b>	<b>Depreciation Expense (1x2)</b>
301	Organization	\$ 3,343	20.0%	\$ -
302	Franchises	5,077		
303	Land and Land Rights	48,467		
304	Structures and Improvements	134,127	4.0%	4,909
307	Wells and Springs	368,600	3.1%	10,812
311	Pumping Equipment	389,999	2.4%	12,223
320	Water Treatment Equipment	16,390	5.0%	574
330	Distribution Reservoirs and Standpipes	785,320	4.0%	15,643
331	Transmission and Distribution Mains	5,012,476	2.8%	131,634
333	Services	441,435	3.3%	13,121
334	Meters and Meter Installations	770,898	3.4%	24,495
335	Hydrants	466,891	4.0%	8,392
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	66,963	14.0%	3,196
341	Transportation Equipment	130,507	20.0%	7,791
343	Tools, Shop and Garage Equipment	45,181	7.7%	1,057
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	12,821	7.7%	526
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	Less amortization of CIAC			(26,783)
	<b>TOTALS</b>	<b>\$ 8,698,495</b>		<b>\$ 207,590</b>

This amount goes on Comparative Statement of Income and Expense Acct. No. 403

\*Depreciation expense % calculated on an average of allowable rates for asset category

See accountant's compilation report.

<b>COMPANY NAME</b>	<b>COTTONWOOD WATERWORKS, INC.</b>
---------------------	------------------------------------

**BALANCE SHEET**

<b>ACCT. NO.</b>		<b>BALANCE AT BEGINNING OF YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 37,072	\$ 84,080
134	Working Funds		
135	Temporary Cash Investments	492,839	521,730
141	Customer Accounts Receivable	109,365	132,388
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments	4,392	12,768
174	Miscellaneous Current and Accrued Assets	21,081	21,081
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	<b>\$ 664,749</b>	<b>\$ 772,047</b>
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 8,473,190	\$ 8,698,495
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(2,609,344)	(2,835,676)
121	Non-Utility Property	23,334	23,334
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	<b>\$ 5,887,180</b>	<b>\$ 5,886,153</b>
	<b>TOTAL ASSETS</b>	<b>\$ 6,551,929</b>	<b>\$ 6,658,200</b>

**Note:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

<b>COMPANY NAME</b>	<b>COTTONWOOD WATERWORKS, INC.</b>
---------------------	------------------------------------

**BALANCE SHEET (CONTINUED)**

<b>ACCT. NO.</b>		<b>BALANCE AT BEGINNING OF YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ 36,024	\$ 46,610
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	67,662	69,398
236	Accrued Taxes	33,821	27,215
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	108,779	85,724
	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 246,286</b>	<b>\$ 228,947</b>
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$	\$
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	2,995,102	3,042,791
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	846,542	937,407
272	Less: Amortization of Contributions	(166,477)	(193,260)
281	Accumulated Deferred Income Tax	276,000	265,000
	<b>TOTAL DEFERRED CREDITS</b>	<b>\$ 3,951,167</b>	<b>\$ 4,051,938</b>
	<b>TOTAL LIABILITIES</b>	<b>\$ 4,197,453</b>	<b>\$ 4,280,885</b>
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 269,100	\$ 269,100
211	Paid in Capital in Excess of Par Value	77,000	77,000
215	Retained Earnings	2,008,376	2,031,215
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	<b>\$ 2,354,476</b>	<b>\$ 2,377,315</b>
	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$ 6,551,929</b>	<b>\$ 6,658,200</b>

See accountant's compilation report.



<b>COMPANY NAME</b>	<b>COTTONWOOD WATERWORKS, INC.</b>
---------------------	------------------------------------

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>CURRENT YEAR</b>
461	Metered Water Revenue	\$ 1,212,347	\$ 1,190,907
460	Unmetered Water Revenue		
474	Other Water Revenues	46,414	52,890
	<b>TOTAL REVENUES</b>	<b>\$ 1,258,761</b>	<b>\$ 1,243,797</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 427,110	433,323
610	Purchased Water		0
615	Purchased Power	170,268	174,206
618	Chemicals	6,174	7,717
620	Repairs and Maintenance	56,631	54,381
621	Office Supplies and Expense	54,911	53,836
630	Outside Services	50,750	30,762
635	Water Testing	11,201	12,406
641	Rents		
650	Transportation Expenses	20,271	22,135
657	Insurance – General Liability	18,571	18,759
659	Insurance - Health and Life	86,232	79,902
666	Regulatory Commission Expense – Rate Case		0
675	Miscellaneous Expense	6,568	4,508
403	Depreciation Expense	205,627	207,590
408	Taxes Other Than Income	2,303	2,717
408.11	Property Taxes	56,920	48,612
409	Income Tax	51,981	11,563
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,225,518</b>	<b>1,162,417</b>
	<b>OTHER INCOME/EXPENSE</b>		
419	Interest and Dividend Income	\$ 7,326	3,891
421	Non-Utility Income		(18,181)
426	Miscellaneous Non-Utility Expenses	(8,819)	
427	Interest Expense	(3,833)	(3,886)
	<b>TOTAL OTHER INCOME/EXP</b>	<b>\$ (5,326)</b>	<b>(18,176)</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$ 27,917</b>	<b>\$ 63,204</b>

See accountant's compilation report.

COMPANY NAME

Cottonwood Waterworks, Inc.

**SUPPLEMENTAL FINANCIAL DATA****Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 5,410

Meter Deposits Refunded During the Test Year

\$ 1,500

**COMPANY NAME** Cottonwood Waterworks, Inc.

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-580166	20	200	505	12	3	2000
55-609080	15	150	Unknown	7	3	1920
55-609079	20	180	Unknown	7	3	1920
55-609078	75	260	835	12 & 18	4	1930
55-550414	150	670	800	12 & 16	6	1997
55-609076	5	50	Unknown	5	2	1920

- Arizona Department of Water Resources Identification Number

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Haskell Spring (Intermittent)	Various	None
flowed last time in 1994		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10	5	406	68
25	2		
60	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
100,000	1	5,000	2
300,000	1	8,000	2
500,000	1	10,000	1
550,000	1		

**COMPANY NAME** Cottonwood Waterworks, Inc.

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-609075	60	240	160	10	3	1972
55-609074	30	180	505	10	3	1972
55-530748	60	320	900	12	6	1991
55-609073	3	10	135	10	6	1961
55-503444	75	370	160	14	6	1982
55-609072	60	150	925	8	4	1957

- Arizona Department of Water Resources Identification Number

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
750,000	1		
1,000,000	1		

COMPANY NAME

Cottonwood Waterworks, Inc.

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)****MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4	Various	140,250
5		
6		
8		
10	Various	285,078
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	4,423
3/4	
1	150
1 1/2	57
2	66
Comp. 3	
Turbo 3	
Comp. 4	1
Tubo 4	
Comp. 6	1
Tubo 6	

For the following three items, list the utility owned assets in each category.

**TREATMENT EQUIPMENT:**


---

---

---

---

---

---

---

**STRUCTURES:**


---

---

---

---

---

---

---

**OTHER:**


---

---

---

---

---

---

---

COMPANY NAME:

Cottonwood Waterworks, Inc.

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	4,529	40,206,000	
FEBRUARY	4,530	34,609,000	
MARCH	4,538	34,364,000	
APRIL	4,560	50,526,000	
MAY	4,560	52,128,000	
JUNE	4,564	71,259,000	
JULY	4,597	79,116,000	
AUGUST	4,600	62,097,000	
SEPTEMBER	4,602	57,404,000	
OCTOBER	4,609	61,862,000	
NOVEMBER	4,598	41,631,000	
DECEMBER	4,600	39,909,000	
TOTAL		N/A	668,112,000

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☐ Yes☒ No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes☒ No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system. .002 - .025 mg/l*(If more than one well, please list each separately)**Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME COTTONWOOD WATERWORKS, INC. YEAR ENDING 12/31/2003

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2003 was: \$ 52,765.90

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

COTTONWOOD WATER WORKS, INC.

1042 N. MAIN  
COTTONWOOD, AZ 86326  
(928) 634-5559

906-60-360  
906-60-381  
906-60-630  
906-60-660

406-29-002A  
406-29-002B  
406-29-002D

40946

91-504/1221

7 DOC 1 C/C DATE 10/27/03

PAY  
TO THE  
ORDER OF

ROSS D. JACOBS, YAVAPAI COUNTY TREASURER

\$ 24,305<sup>87</sup>

TWENTY FOUR THOUSAND THREE HUNDRED FIVE & <sup>87</sup>/100

DOLLARS

THE STOCKMEN'S BANK  
CALIFORNIA

FOR

Charles D. Hamlin

⑈040946⑈ ⑆122105045⑆ 1701000083⑈

⑈0002430587⑈

Ck# 40946

Date 10/30/03 Amt \$24,305.87

COTTONWOOD WATER WORKS, INC.

1042 N. MAIN  
COTTONWOOD, AZ 86326  
(928) 634-5559

906-60-360  
906-60-381  
906-60-630  
906-60-660

406-29-002A  
406-29-002B  
406-29-002D

40228

91-504/1221

DATE 4/28/03

PAY  
TO THE  
ORDER OF

ROSS D. JACOBS, YAVAPAI COUNTY TREASURER

\$ 28,460<sup>03</sup>

TWENTY EIGHT THOUSAND FOUR HUNDRED SIXTY & <sup>03</sup>/100

DOLLARS

THE STOCKMEN'S BANK  
CALIFORNIA

FOR

Charles D. Hamlin

⑈040228⑈ ⑆122105045⑆ 1701000083⑈

⑈0002846003⑈

Ck# 40228

Date 05/01/03 Amt \$28,460.03✓



COMPANY NAME COTTONWOOD WATERWORKS, INC. YEAR ENDING 12/31/2003

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported  
Estimated or Actual Federal Tax Liability

44,391

6,659

**RECEIVED**

APR 15 2004

State Taxable Income Reported  
Estimated or Actual State Tax Liability  
Amount of Grossed-Up Contributions/Advances:

82,674

5,761

**AZ CORPORATION COMMISSIO  
DIRECTOR OF UTILITIES**

Amount of Contributions/Advances  
Amount of Gross-Up Tax Collected  
Total Grossed-Up Contributions/Advances

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Charles D. Garrison  
SIGNATURE

3/30/04

DATE

CHARLES D. GARRISON  
PRINTED NAME

PRESIDENT  
TITLE

VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only

RECEIVED

APR 15 2004

VERIFICATION  
STATE OF Arizona  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)
<u>Yavapai</u>
NAME (OWNER OR OFFICIAL) TITLE
<u>Charles D. Garrison, President</u>
COMPANY NAME
<u>Cottonwood Waterworks, Inc.</u>

AZ CORPORATION-COMMISSION  
DIRECTOR OF UTILITIES

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2003</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$1,347,575

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$100,017  
IN SALES TAXES BILLED, OR COLLECTED

\*\*REVENUE REPORTED ON THIS PAGE MUST  
INCLUDE SALES TAXES BILLED OR  
COLLECTED. IF FOR ANY OTHER REASON,  
THE REVENUE REPORTED ABOVE DOES NOT  
AGREE WITH TOTAL OPERATING REVENUES  
ELSEWHERE REPORTED, ATTACH THOSE  
STATEMENTS THAT RECONCILE THE  
DIFFERENCE. (EXPLAIN IN DETAIL)

Charles D. Garrison  
SIGNATURE OF OWNER OR OFFICIAL  
928-634-5559  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 30<sup>th</sup> DAY OF

COUNTY NAME
<u>Yavapai</u>
MONTH
<u>March</u>
2004

Notary Public State of Arizona  
Yavapai County  
Mertha A. Grimes  
Expires January 25, 2006

MY COMMISSION EXPIRES January 25, 2006

Mertha A. Grimes  
SIGNATURE OF NOTARY PUBLIC

Notary Public State of Arizona  
Yavapai County  
Mertha A. Grimes  
Expires January 25, 2006

VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY

**RECEIVED**

APR 15 2004

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

(COUNTY NAME)	Yavapai	
NAME (OWNER OR OFFICIAL)	Charles D. Garrison	TITLE President
COMPANY NAME	Cottonwood Waterworks, Inc.	

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$1,210,296

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$90,115  
IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

  
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

30<sup>th</sup>

DAY OF

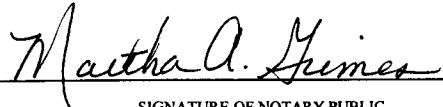
NOTARY PUBLIC NAME	
Martha A. Grimes	
COUNTY NAME	
Yavapai	
MONTH	
March	. 20 04

(SEAL)



Notary Public State of Arizona  
Yavapai County  
Martha A Grimes  
Expires January 25, 2006

MY COMMISSION EXPIRES January 25, 2006

X   
SIGNATURE OF NOTARY PUBLIC